

Message Text

CONFIDENTIAL

PAGE 01 STATE 112279
ORIGIN OES-07

INFO OCT-01 EUR-12 IO-13 ISO-00 ERDA-05 CIAE-00 INR-07
NSAE-00 L-03 FEA-01 INT-05 /054 R

DRAFTED BY EUR/SOV:SHUMPHREY:OES/APT/SEP:DCRAMER:GEM
APPROVED BY EUR:JLOWENSTEIN
OES/APT:OGANLEY
OES:AMBASSADOR BREWSTER
EUR/SOV:MGARRISON

-----170545Z 033077 /13

R 170003Z MAY 77
FM SECSTATE WASHDC
TO USMISSION GENEVA
INFO AMEMBASSY MOSCOW

C O N F I D E N T I A L STATE 112279

GENEVA PASS AMB. TOON FROM ACTING ASST. SECRETARIES

E.O. 11652:GDS

TAGS: TECH, TGEN, ENRG

SUBJECT: US-USSR ENERGY AGREEMENT: SUPERCONDUCTING
TRANSMISSION (08.02): FOR AMBASSADOR TOON FROM
ACTING ASSISTANT SECRETARIES LOWENSTEIN AND BREWSTER
REF: MOSCOW 5689 - -

1. WE AND ERDA HAVE GIVEN CAREFUL CONSIDERATION TO YOUR
APPEAL ON THE CRYOGENIC REFRIGERATOR LOAN, BUT BELIEVE IT
BEST TO STAND ON THE PREVIOUS DECISION TO REDIRECT THE
SUPERCONDUCTING TRANSMISSION PROGRAM AWAY FROM HARDWARE
LOAN EXCHANGES. A FULLER EXPLANATION OF OUR THINKING
FOLLOWS BELOW--BOTH PATSY MINK AND ART HARTMAN ARE OUT OF
TOWN AT THIS TIME, ALTHOUGH THEY HAVE SEEN YOUR MESSAGE
AND HAVE BEEN BRIEFED ON THIS SUBJECT. ACTING ERDA
ADMINISTRATOR FRI WILL BE REPLYING SEPARATELY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 112279

2. WHEN ERDA FIRST PRESENTED DEPARTMENT WITH ITS
CANCELLATION DECISION, WE RECOGNIZED THE POTENTIAL
CONSEQUENCES OF BREAKING A COMMITMENT REPEATEDLY MADE IN
WRITING. THE PROJECT'S LOW LEVEL OF TECHNICAL BENEFIT HAD
LONG BEEN A CONCERN OF EXPERTS INVOLVED, BUT WAS NEVER
SQUARELY MET AND, MOST UNFORTUNATELY, WAS NEVER CONVEYED TO

SOVIET COUNTERPARTS. ABSENCE OF JOINT COMMITTEE MEETINGS SINCE 1974 AGGRAVATED SITUATION BY REMOVING THE DIRECT MECHANISM FOR HIGH-LEVEL REVIEW.

3. DECISIVE FACTOR FOR US AT STATE IN FIRST INSTANCE WAS NOT SO MUCH ERDA'S BUDGET AND MANPOWER PROBLEMS, AS ERDA'S CONVINCING ASSERTIONS THAT LOAN LACKED TECHNICAL BENEFIT. THERE WAS APPARENTLY LITTLE PROMISE OF BENEFIT EVEN WHEN PROJECT WAS CONCEIVED IN 1973. IN INTERIM, ACTIVITY AT US FACILITIES HAS BROUGHT US TO THE POINT WHERE OUR OWN EXPERIMENTS ARE MOVING WELL AHEAD OF ANYTHING EXPECTED TO COME OUT OF MOSENERGO EFFORT. IT THUS APPEARS THAT IF SOVIETS ACCEPT INVITATION TO PARTICIPATE AT BROOKHAVEN AND NEW REFRIGERATOR IS USED IN DOMESTIC PROGRAM, END RESULT WILL BE TO PROVIDE BOTH SIDES WITH BETTER DATA THAN IF LOAN CONSUMMATED.

4. ERDA IS ALSO VERY SKEPTICAL THAT SOVIET PROGRAM WILL SUFFER SIGNIFICANTLY. THEIR MOSENERGO SITE IS DESIGNED TO HAVE TWO SOVIET REFRIGERATORS, AND SOVIETS CAN PRODUCE SUCH EQUIPMENT WITH CAPABILITIES APPROACHING THOSE OF OURS. THE ADDITION OF THE THIRD, US, REFRIGERATOR PERHAPS CONTRIBUTES GREATER RELIABILITY AS SOVIETS ASSERT, BUT THIS APPEARS A MARGINAL FACTOR.

5. ERDA FURTHER DOUBTS THAT SOVIETS HAVE MADE THE INVESTMENT THEY CLAIM IN PRODUCING A CABLE FOR A RETURN LOAN TO THE US. THE MINUTES OF THE AUGUST 18, 1976 MEETING OF THE ORGANIZING COMMITTEE ON THIS TOPIC, THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 112279

MOST RECENT MEETING OF THE GROUP, SPELL OUT THREE POSSIBLE OPTIONS SUGGESTED BY THE US SIDE, A SOVIET RIGID CABLE, A SOVIET FLEXIBLE CABLE, OR A SOVIET HELIUM REFRIGERATOR. OBVIOUSLY, THE SOVIET SIDE WOULD NOT PROCEED TO PRODUCE ANY ONE OF THE THREE UNTIL A DECISION HAD BEEN MADE AS TO WHICH WOULD BE USED AS THE RETURN LOAN.

6. ERDA'S BUDGET PROBLEMS ARE MOST RELEVANT IN THAT THEY GREATLY INTENSIFY PRESSURES TO SPEND IN PRODUCTIVE, DEFENSIBLE MANNER. MONEY AND MANPOWER PROJECTED FOR LOAN PROJECT WILL PROVIDE SIGNIFICANTLY MORE USEFUL RESULTS IF APPLIED TO US DOMESTIC PROGRAM.

7. WE IN STATE HAVE ADDITIONAL CONCERNS ABOUT DOMESTIC POLITICAL ASPECTS. IT WOULD BE HARD TO COPE WITH CHARGES THAT MONEY IS BEING THROWN AWAY FOR ABSTRACT POLITICAL GAIN. IF LOAN GOES THROUGH, DOMESTIC CRITICISM EVOKING TECHNOLOGY TRANSFER AND ONE-WAY-STREET

THEMES COULD HAVE WIDESPREAD EFFECT.

8. IN OUR ESTIMATION, THE MOST BENEFICIAL ACTIVITY TO BOTH SIDES UNDER THE ENERGY AGREEMENT IS CLEARLY THE MHD PROJECT WHICH IS IN AN AREA OF GREAT POTENTIAL

SIGNIFICANCE. WE WILL CONTINUE TO SUPPORT COOPERATION IN THIS FIELD AS WELL AS IN OTHER AREAS SUCH AS UHV, HEAT REJECTION AND HYDROPOWER WHERE USEFUL EXCHANGES HAVE ALSO TAKEN PLACE. FINALLY, WE ARE HOPEFUL THAT COOPERATION IN THE THREE OTHER FIELDS WHERE TOPICS HAVE JUST RECENTLY BEEN AGREED, NAMELY COAL, OIL AND GAS, WILL PRODUCE MEANINGFUL EXCHANGES.

9. WHILE GREATLY REGRETTING THE APPEARANCE OF THE USG RENEGING ON A COMMITMENT, WE FOUND CONVINCING THE CONSTELLATION OF FACTS RECITED ABOVE. AT OUR INSISTENCE, CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 112279

STEPS WERE TAKEN TO COMPENSATE FOR THE LOSS OF THE REFRIGERATOR BY OFFERING THE SOVIETS OTHER FORMS OF COOPERATION IN THIS FIELD, PARTICULARLY JOINT WORK ON SIMILAR TESTS AT BROOKHAVEN LABORATORY.

10. IN SUM, OUR JUDGEMENT CONTINUES TO SUPPORT CANCELLATION OF THE LOAN AND REDIRECTION INTO PARALLEL WORK IN BOTH COUNTRIES. HOWEVER, YOUR CABLE, IN EMPHASIZING THE PROBLEMS IN SOVIET PERCEPTIONS, HAS UNDERLINED THE IMPORTANCE OF GIVING THEM THE MOST CONVINCING EXPLANATION POSSIBLE IN TERMS OF TECHNICAL BENEFITS. WE WILL WORK WITH ERDA TO THIS END. CHRISTOPHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, SEMICONDUCTOR DEVICES, SCIENTIFIC MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE112279
Document Source: CORE
Document Unique ID: 00
Drafter: SHUMPHREY:OES/APT/SEP:DCRAMER:GEM
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770174-0521
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770548/aaaabpit.tel
Line Count: 151
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 55713d92-c288-dd11-92da-001cc4696bcc
Office: ORIGIN OES
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 MOSCOW 5689
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2485042
Secure: OPEN
Status: NATIVE
Subject: US-USSR ENERGY AGREEMENT: SUPERCONDUCTING TRANSMISSION (08.02): FOR AMBASSADOR TOON FROM ACTING ASSISTANT SECRETARIES LOWENSTEIN AND BREWST
TAGS: TECH, TGEN, ENRG, US, UR
To: GENEVA
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/55713d92-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009